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BLANCHARD, WALKER, O'QUIN & ROBERTS
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August 7, 2007

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 94275
Baton Rouge, Louisiana 70804-9275

Mailing Address:
P.O. Drawer 1126
Shreveport, LA 71163-1126

WM. TIMOTHY ALLEN, III
Direct: 318.934.0217
Email: tallen@bwor.com

RE: HEARING APPLICATION
Haynesville Zone, Reservoir A
Cotton Valley Formation, Reservoir A
Caspiana Field
Caddo Parish, Louisiana
Our File No. 230765.0113

Dear Sir:

On behalf of CHESAPEAKE OPERATING, INC., application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the Haynesville Zone, Reservoir A and Cotton Valley Formation, Reservoir A, in the Caspiana Field, Caddo Parish, Louisiana:

1. To create a single drilling and production unit (to be designated as HA RA SUB) for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A, in the Caspiana Field, Caddo Parish, Louisiana, as shown on the plat attached hereto.
2. To force pool and unitize all separately owned tracts, mineral leases, and other property interests within the proposed HA RA SUB, with allocation of production from the unit well to the tracts within such unit therefor to be on the basis of surface acreage.
3. To provide that future wells drilled to the Haynesville Zone, Reservoir A, in the Caspiana Field, Caddo Parish, Louisiana, within or outside the proposed unit, shall be located in accordance with Statewide Order No. 29-E;
4. To redefine the Cotton Valley Formation, Reservoir A, in the Caspiana Field, INsofar AND ONLY INsofar AS TO CV RA SU94, as that gas and condensate bearing interval between the depths of 8,535 feet and 10,910 feet (electrical log measurements) in the Chesapeake Operating, Inc. - SRLT 29 No. 1 Well located in Section 29, Township 16 North, Range 15 West, Caddo Parish, Louisiana;
5. Except for the redefinition of the Cotton Valley Formation, Reservoir A, as set forth herein, to ratify, confirm and continue CV RA SU94 in full force and effect;
6. To extend the provisions of Office of Conservation Order No. 191-20, effective April 18, 2000, to permit the downhole combination of the Haynesville Zone, Reservoir A with the Cotton Valley Formation, Reservoir A, Hosston Formation, Reservoir A, and Pettit Formation, Reservoir A, or any combination of such formations, in the Caspiana Field, in any well drilled in HA RA SUB, CV RA SU94, PET RA SU55, and HOSS RA SU101, in which the ownership and acreage is identical.

7. To consider such other matters and issue such orders as may be appropriate and justified by the evidence presented at the hearing.

The Haynesville Zone, Reservoir A, in the Caspiana Field, Caddo Parish, Louisiana shall be defined as that gas and condensate bearing interval encountered between the depths of at 10,910 feet and 11,487 feet (electrical log measurements), in the Chesapeake Operating, Inc. -SRLT 29 No. 1 Well located in Section 29, Township 16 North, Range 15 West, Caddo Parish, Louisiana .

The Cotton Valley Formation, Reservoir A, in the Caspiana Field, Caddo and DeSoto Parishes, Louisiana, was initially defined in Office of Conservation Order No. 191-A, effective February 15, 1975, was further defined in Order No. 191-A-5, effective February 22, 1983, and was redefined in Order No. 191-A-131, effective April 18, 2006, but shall be redefined as set forth above.

The Hosston Formation, Reservoir A, in the Caspiana Field, Caddo, DeSoto, and Red River Parishes, Louisiana, was initially defined in Office of Conservation Order No. 191-B, effective April 15, 1975, and was redefined as to HOSS RA SU101 by Order No. 191-B-125, effective April 18, 2006.

The Pettit Formation, Reservoir A, in the Caspiana Field, Caddo, DeSoto, and Red River Parishes, Louisiana, was initially defined in Office of Conservation Order No. 191-C, effective April 13, 1976, and was redefined as to PET RA SU55 by Order No. 191-C-6, effective April 18, 2006.

Pertinent data concerning the intended application will be made available for inspection at the offices of Blanchard, Walker, O'Quin & Roberts, 15th Floor, Chase Tower, 400 Texas Street, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Wm. Timothy Allen III at (318) 221-6858 during normal business hours or write Mr. Allen at the above address, in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this notice, with the annexed plats, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.


In accordance with Rule 8 of the Rules of Procedure, the Office of Conservation has waived the Pre-Application Notice requirements, and accordingly Rule 3 of the Rules of Procedure is not applicable.

A check in the amount of \$1,500.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

By: 
Wm. Timothy Allen III
Attorneys for Chesapeake Operating, Inc.

WTAIII:kmw
Enclosures

cc: Mr. James C. Broussard, Shreveport
District Manager (w/enclosures)
cc: Interested Owners, Represented Parties
and Interested Parties (w/copy of plats only)

